

# The Southern Railway as a Factor in the Progress of Georgia

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By  
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## **THE SOUTHERN RAILWAY AS A FACTOR IN THE PROGRESS OF GEORGIA.**

Take what standard of measurement one pleases, the application of it demonstrates that the State of Georgia is making extraordinary progress in the things which count most and not the least on the material side. Thus, from 1900 to 1910 the total value of farm property in the State, as reported by the United States Census Office, increased 154.2 per cent, as compared with 99.9 per cent for all other States of the United States. In the same decade the value of farm crops in Georgia increased 162.4 per cent, as compared with 80.6 per cent for all other States, and the value of products of manufactures increased 114.5 per cent, as compared with 80.9 per cent for all other States.

The fundamental bases of this truly wonderful development have been the great and varied natural resources of the State and the energy and enterprise of her people. But, with all of these, the progress of the State would have been greatly restricted and would largely have been confined to the coastal region if it had not been for transportation by rail. This was strikingly illustrated in Georgia before the construction of railroads, when urban development in the State was confined almost entirely to seaport cities and towns on the navigable rivers. The city of Macon owes its first development to the fact that it was located at the head of navigation on the Ocmulgee River. It was only with the construction of railroads that the full advantages of Macon as an interior trading and industrial center were realized. It is, then, apparent to all and undisputed by none that, looked upon only in their relation as carriers, the railroads have been and are essential to the progress and prosperity of the State. I shall speak to you today upon another relation of the railroad to the communities along its lines, the importance of which is, I think, not so generally realized. I shall seek to show you that, considered as an industrial enterprise, through giving employment to large numbers of men and through its purchases of a great variety of commodities, the Southern Railway Company is a most important factor in the business life of Georgia.

Of the total revenues earned by Southern Railway Company and its associated companies in Georgia in the last year the people of the State

paid the large sum of approximately \$7,000,000, but in the same year the Companies actually paid to citizens of Georgia and to the State, on account of wages, materials, claims, taxes, rentals, etc., approximately \$8,200,000, or over \$1,000,000 more than it collected from the people of the State. Please do not misinterpret this statement. I do not claim that Southern Railway Company is an eleemosynary institution. I do not suggest that we conducted our entire operations in Georgia last year at a net loss of a million dollars. I mean simply what I said, that Southern Railway Company disbursed last year in Georgia more than one million dollars in excess of its collections from the people of Georgia. As a business proposition this is possible only for a business which is constantly expanding its plant, for a large part of that million dollars was disbursed for additions and betterments to the property. Of course, we expect to get our reward in money for these disbursements. That is not my point. What I seek to impress upon you is simply that a vigorous, growing, expanding railroad system is more than a mere transportation agent: it is an industry which is of benefit to every merchant in the State, exactly as a successful mill is a benefit to a town.

When you buy a passenger ticket or pay a freight bill, you may think of the money as going out of the State into the pocket of some stockholder or bondholder in a distant locality, but this is not what happens. Substantially all of the moneys collected in the State are deposited in Georgia banks, which are drawn upon from time to time only as funds are needed for proper fiscal purposes. The funds of the Companies thus become an important factor in strengthening the banks of the State, and so are at all times at the service of the people of Georgia. When they are drawn from the banks they are in a very large part used for payments made within the State: they find their way into the local channels of trade, and are thus not withdrawn at all from the communities in which they are collected.

This may be demonstrated by some facts as to the disbursements of the Southern Railway Company and its associated companies within the State of Georgia. There are, in round numbers, 6,800 names on our Georgia pay-rolls. On the conventional basis of five to a family, this means that approximately 34,000 persons, or little less than the population of the city of Macon, as reported by the United States Census of 1910, draw their support directly from the nearly five million dollars which the Companies pay as wages in the State. Taxes paid within the State of Georgia last year amounted to \$433,500, and additions and bet-

terments within the State amounted to \$1,324,700. Rentals, purchases, claims, advertising expenditures, etc., bring the total payments to the State and its citizens up to about \$8,200,000.

As you know, Southern Railway Company has been making extensive improvements in the State of Georgia within the past few years. The double track work which has been done, although none of it has been local to Macon, has been most helpful in the movement of through traffic to and from your city. A local improvement of very great importance to Macon has been the construction of the new terminal yards at a cost of \$409,000. Another improvement of great local benefit has been the construction of lap-sidings on the line between Macon and Atlanta, very greatly increasing the capacity of the line, at a cost of \$226,000. Another improvement which has been beneficial, not only to Atlanta, but to all the communities along our lines in Georgia, has been the construction of the new Atlanta freight station and office building at a cost of \$375,000.

I need not tell an audience of business men such as this what regular disbursements in Georgia year after year of such sums as I have mentioned mean to the State. A falling off of the business of the Companies, or any other unfavorable condition affecting their financial resources and necessitating a curtailment of their activities in Georgia, would be a disaster to the State. On the other hand, favorable conditions, bringing prosperity to the Companies and enabling them to expand their operations on all parts of the system would be directly beneficial to this State.

You and the people of the other States served by the Southern Railway System have this matter largely in your own hands. Such governmental regulation of the railroads as may be necessary to prevent undue discrimination or charges that are exorbitant or unreasonably high is proper and is based on sound economic ground. But the inevitable effect of governmental regulation is to narrow the field of management. Hence, it has come about that, assuming intelligent and efficient management within the circumscribed field left to railroad officials, the question of whether or not a railroad is to be prosperous, able to render efficient service, and whether it shall not be under the necessity of curtailing its wage payments and its purchases of materials, is dependent upon governmental policies. In our country such policies are quickly responsive to public opinion, and the people who are directly interested have it within their power to make possible the provision of more effi-

cient service and the maintenance of railroad wage-paying and purchasing power through fostering railroad prosperity.

Promising on behalf of Southern Railway System fair dealing with all men and a constant striving for increased efficiency and safety, it is with confidence that I ask that the people of Georgia shall not be content with a mere passive acquiescence in the proposition that governmental regulation shall be just to the railroad as well as to the buyer of transportation, but that they shall be active, militant advocates of such justice. I refer here not to any one but to all the manifold manifestations of government regulation of railroads as it is now practised. They are all alike, in that they have their inspiration in public opinion, and it is to public opinion that we must look for fair and sympathetic consideration of the railroad problem, not merely to the delegates of public opinion, be they the Interstate Commerce Commission, the State Railroad Commissions, the Municipal Common Council, the Tax Board, or even Congress and the State Legislatures themselves. If we deserve fair treatment by giving it, then we are entitled to ask you to help us to get it in a broad way, looking to the future, and I am entering upon my new responsibilities with the belief that, in the respects to which I have invited your attention, I shall have the understanding and support of such men as I have the honor to meet here today.

Your interest, and that of every other community on our lines, in the prosperity of the Southern Railway System is twofold. You are interested in the maintenance and increase of its large disbursements in this community. You are interested in efficiency over the entire system. It is natural that the people of any locality shall fully appreciate the importance and desirability of railroad disbursements and improvements in their own immediate neighborhood. The railroad manager must take a broader view. He must consider the system as a whole in relation to available resources and give precedence to those betterments that will most facilitate the movement of its traffic as a whole. Taking this broad view, he may at times, in the true and larger interest of the people of a community, run counter to local opinion. He may know, for instance, that the double tracking of some pinch-point on the system many miles from Georgia, by facilitating the prompt and regular operation of passenger and freight service, would be of more real benefit to the people of this State as a whole than some local project that may be eminently desirable, but the relative importance of which may be magnified in local opinion by nearness of view. An illustration of this is double track con-

struction just being completed north of Atlanta, to which I have referred. This improvement is not local in character. It will greatly facilitate the movement of traffic over the entire system.

Since assuming my duties as President of the Company, I have spent much of my time on the line of the Southern Railway, meeting the people and observing conditions. I believe that I have thus had peculiar opportunities to appreciate the progress that is being made. My own observations, which are confirmed by reports of the United States Census Bureau and Agricultural Department, convince me that the South is advancing relatively more rapidly in agriculture and manufacturing than any other part of the United States. With our great advantages of soil, climate, raw materials and power resources, this advance will continue. It will be reflected in an increasing demand for transportation service. The people of Georgia, in common with those of every other State traversed by our lines, will offer us more business. It is our duty to provide facilities for handling this increased business. Unlike the fairy God-mother of our childhood days, we cannot, by the touch of a magic wand, convert a pumpkin into a steel passenger coach. If your progress is not to be retarded by the congestion of traffic on your highways to market, your railroads must be permitted to earn enough to continue, within reasonable limits, the reinvestment of earnings in the property and such fair returns to the owners of their securities as will encourage the continued investment of capital in railway enterprises.

The resulting improvement in transportation service and the enlarged disbursements for wages and materials will be an important factor in the greater prosperity of the entire South and no State will be benefited in larger measure than will Georgia with her unsurpassed opportunities for continued agricultural and industrial development.